

City of New Richmond COVID-19 Community Outreach
Rural Residents
Week of April 27- May 2

Dear Local Rural Homeowner/Borrower,

We hope this message finds you well. In an effort to help streamline and simplify information, City staff have been working to compile information about various financial assistance programs available to local residents. Below is information on USDA Rural Development COVID-19 Response. Thank you for all that you do for our community! We will get through this challenging time together.

-City of New Richmond

Program Name: USDA Rural Development COVID -19 Response

Administrator(s): USDA - Rural Housing Service

Who's Eligible: Borrowers with USDA single-family housing Direct and Guaranteed loans

Terms: Effective March 19, borrowers with USDA single-family housing Direct and Guaranteed loans are subject to a moratorium on foreclosure and eviction for a period of 60 days. This action applies to the initiation of foreclosures and evictions and to the completion of foreclosures and evictions in process.

Direct Loan Program:

- USDA has waived or relaxed certain parts of the application process for Single-Family Housing Direct Loans, including site assessments, and has extended the time period that certificates of eligibility are valid.
- A Direct Loan borrower who is experiencing a reduction of income can request a Payment Assistance package to see if he/she is eligible for payment assistance or for more assistance than currently received
- Moratorium assistance for up to 180 days is available for Direct Loan borrowers experiencing financial hardship due, directly or indirectly, to the COVID-19 emergency. You can call us and verbally request a payment moratorium. Borrowers have the option to cancel the moratorium at any time or request the moratorium be extended up to an additional 180 days.
- Direct Loan questions should be directed to USDA's Customer Service Center at 800-414-1226. The Customer Service Center is experiencing high call volumes during this COVID-19 Crisis. The call center has expanded hours from 7 a.m. until 7 p.m. CT Mon - Fri; and 8 a.m. to 1 p.m. CT on Saturdays.

Guaranteed Loan Program:

- USDA is granting lenders temporary exceptions pertaining to appraisals, repair inspections and income verification for the Single-Family Housing Guaranteed Loan Program (SFHGLP) due to the COVID-19 pandemic. Effective immediately, the following exceptions to Agency guidance found at HB-1-3555 are in effect for a period of 60-days. In accordance to the CARES Act, this guidance remains unchanged and in effect.
- **Residential Appraisal Reports**—Existing Dwelling: For purchase and non-streamlined refinance transactions, when an appraiser is unable to complete an interior inspection of an

existing dwelling due to concerns associated with the COVID-19 pandemic, an “Exterior-Only Inspection Residential Appraisal Report,” (FHLMC 2055/FNMA 2055) will be accepted. In such cases, appraisers are not required to certify that the property meets HUD HB 4000.1 standards. The appraisal must be completed in accordance with the Uniform Standards of Professional Practice (USPAP) and the Uniform Appraisal Dataset (UAD). This exception is not applicable to new construction properties or construction-to- permanent loans. As a reminder, appraisals are not required for streamlined and streamlined-assist refinance transactions.

- **Repair Inspections—Existing Dwelling:** For loans for which a completion certification is not available due to issues related to the COVID-19 pandemic, a letter signed by the borrower confirming that the work was completed is permitted. Lenders must also provide further evidence of completion, which may include photographs of the completed work, paid invoices indicating completion, occupancy permits or other substantially similar documentation. All completion documentation must be retained in the loan file. This exception is not applicable to rehabilitation and repair loans noted in section 12.28 of HB-1-3555.
- **Verbal Verification of Employment:** Lenders must document and verify the borrower’s annual and repayment income in accordance with Agency regulations. Lenders should use due diligence in obtaining the most recent income documentation to reverify the borrower’s repayment ability prior to closing. When the lender is unable to obtain a Verbal Verification of Employment (VVOE) within 10 business days of loan closing due to a temporary closure of the borrower’s employment, alternatives should be explored. For example, email correspondence with the borrower’s employer is an acceptable alternative to a VVOE. If the lender is unable to obtain a VVOE or acceptable alternative, the requirement will be waived when the borrower has a minimum of two months cash reserves. In the case of a reduction of income, the borrower’s reduced income must be sufficient to support the new loan payment and other non-housing obligations. Borrowers with no income at the time of closing are not eligible for SFHGLP loans regardless of available cash reserves.
- **Expiration of Temporary Exceptions:** These temporary exceptions will expire 60 days from the date of this notice.
- To implement and align with the provisions of the CARES Act:
- Effective immediately upon receiving a request for a forbearance from a borrower who attests to financial hardship directly or indirectly caused by COVID-19, lenders shall provide immediate forbearance of the borrower’s guaranteed loan payment for a period of up to 180 days. In addition, the initial forbearance period may be extended up to an additional 180 days at the borrower’s request.
- During the forbearance options outlined above, no accrual of fees, penalties or interest may be charged to the borrower beyond the amounts calculated as if the borrower had made all contractual payments in a timely fashion.
- Upon completion of the forbearance, the lender shall communicate with the borrower and determine if the borrower is able to resume making regular contractual payments. If so, the lender shall offer the borrower a written repayment plan to resolve any amount due or at the borrower’s request, extend the loan term for a period that is at least the length of the forbearance.
- If the lender determines the borrower is financially unable to resume making contractual payments at the end of the forbearance, the borrower shall be evaluated for all available options presented in the Loss Mitigation Guide which is found at Attachment 18-A in Chapter 18 of our 3555 Technical Handbook: <https://www.rd.usda.gov/sites/default/files/3555-1chapter18.pdf>.
- **Effective period:** Lenders may approve the initial 180-day COVID-19 Forbearance no later than October 30, 2020.
- Guaranteed Loan servicing questions should be directed to: sfhgld.program@usda.gov.

For more information, visit the following web pages:

- SFHGLP Lending Partner Webpage: <https://www.rd.usda.gov/page/sfh-guaranteed-lender>
- SFHGLP webpage: <https://www.rd.usda.gov/programs-services/single-family-housing-guaranteed-loan-program>
- USDA LINC Training and Resource Library: <https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library>
- Procedure Notices: <https://www.rd.usda.gov/resources/directives/procedures-notices>

Effective period: Lenders may approve the initial 180-day COVID-19 Forbearance no later than October 30, 2020.

More Details: <https://www.rd.usda.gov/coronavirus> Wisconsin office: <https://www.rd.usda.gov/wi>